



Minutes of the WestWorld Subcommittee  
June 9, 2005, 8:00 a.m.

Members Present: Subcommittee Chair: Wayne Ecton  
Council Member Betty Drake  
Council Member Ron McCullagh

City Staff Present: Roger Klingler, Assistant City Manager  
Brad Gessner, WestWorld General Manager  
Kelly Ward, Senior Assistant City Attorney  
Dan Worth, City Engineer  
Anna Henthorn, City of Scottsdale  
Brent Bailey, WestWorld Operations Manager  
Gloria Storms Ruiz, WestWorld Administrative Secretary

Call to order at 8:05 a.m. with roll call by Chairman Ecton.

Approved minutes from April 28, 2005, meeting: Motion to approve was made by Chairman Ecton, seconded by Committee Member Drake with no objections.

Item 5 on the agenda, Update on CIP Projects, was moved to Item #1 on the agenda.

**1. Update on CIP Projects – Dan Worth**

The construction at WestWorld is well underway. At this point, the road across the center of WestWorld has been removed to make way for the foundation of the new tent structure, the RV pedestals that were scheduled for removal are gone, moving Arenas 6, 7, & 8 is progressing, mass grading for the multi purpose site is in progress, and the utility relocation is on schedule

There are technical issues with the Bureau of Reclamation (BOR) regarding the retention basin on the east end of the property where we are excavating the dirt and moving it to the construction site. Mr. Worth is working with the BOR to work out the issues.

In approximately three weeks, the water distribution improvements, water line corrections, water quality, and added meters will begin.

July 5, 2005, the bids are due for the two tent structures at WestWorld. There is a great deal of interest in these tent structures.

Dan Worth told the committee there is an ongoing discussion between the City and the Users at WestWorld regarding what type of surface would be used surrounding the Multi Use Tent structure and in the parking lots currently being created. The equestrian people would like the surface to be stabilized granite surface, which is easier on horses; the non-equestrian users would prefer the surface to be asphalt as this is easier on which to park cars. Discussion ensued.

Committee Chair Ecton recommended the surface be matched to what the majority of uses would be and he suggested another meeting be held in order for the City and the Users to discuss this.

Committee Member Drake said the Barrett-Jackson Car Auction is very important to the City, as are the horse shows that are held here; however, she feels the safety of the horses is extremely important. She said she would also welcome another meeting to discuss this.

Roger Klingler said, even though there had been meetings regarding the resurfacing, he would have the City schedule another meeting in the near future.

Brad Gessner introduced Scott Owens, Hunt Construction Project Manager, to the Committee. Mr. Gessner commended Hunt Construction for the work they had done up to this point.

Committee Chair Ecton said he had received complaints from residents regarding the dirt pile located in the retention basin on the east end of the property. He asked when the pile would be removed. Brent Bailey, WestWorld Operations Manager, stated it would be gone within one month. Brent explained that the dirt is there because during the summer season, Operations prepares the arena footing for the next event season and part of the process is the screening of the dirt that is part of the footing.

## **2. Overview of Food & Beverage Concession at WestWorld – Kelly Ward**

At the last WestWorld Subcommittee meeting, the committee requested that a presentation be given regarding the contractual agreement between the City and the Operator of Monterra. Kelly Ward, Senior City Attorney made the presentation.

WestWorld is on property that is owned by the Bureau of Reclamation, (BOR), who had acquired it for protection for the CAP canal. The BOR leased the land to the City of Scottsdale for 50 (fifty) years. The City owns all rites pertaining to recreation uses and the BOR holds the rites for flood control.

In the mid 1980's, the City subleased the property to Howard Kime who then sold it to Pegasus, Bret Wilcox, a private operator.

In 1996, the City acquired the Wilcox interest for \$6,000,000 dollars to operate WestWorld directly. The City decided not to purchase the food & beverage rights to Monterra, and Wilcox retained the rights to run the food & beverage concession at Monterra. At that time, Wilcox retained a sublease for the concession/catering operation for Monterra, sub-leasing to Big 4 Catering. Kelly pointed out that the repurchase agreement has an early buyout provision that gives the City the rights to buyout the Agreement now owned by National Western.

In the early 2000's, Spring Creek Investment Company, (now National Western,) proposed the buy out of both Wilcox and Big 4. Spring Creek was successful in buying out the Wilcox interest but not Big 4's interest.

Brad Gessner said that during a recent Food & Beverage audit, done by an outside company, it was recommended WestWorld buy out the National Western contract for this operation.

Under the current agreement, National Western is paid \$117,200 per year by the operator of the Monterra concession. Mr. Gessner is recommending the City buy out National Western's license for \$2,000,000 in order to make more money for the City. Mr. Gessner has spoken with Mr. Unger, owner of National Western, and Mr. Unger stated he would be amenable to providing terms for the City to buy him out for \$2,000,000.

Committee Chair Ecton asked if this has been pursued or talked about before this time. Mr. Gessner said that it had, several times before. Mr. Gessner stated that the contract reads the City needs to give the operator sixty (60) days notice of a buy out.

Committee Member Drake said this needs to be explored in more detail. She asked for a review and a memorandum from the City Attorney's office, (Kelly Ward) for the next meeting.

Committee Member McCullagh asked that the City finance department be involved and provide their input too.

Committee Chair Ecton said since there is interest in pursuing this, the Committee needs more information provided at the next meeting.

### **3. 5-Year Event Statistics – Brad Gessner**

Mr. Gessner provided a handout for the Committee, (see Attachment 1 of 2). He stated that this past fiscal year, WestWorld had 32 more equestrian events partially because of the Scottsdale Community College Equestrian class. (Each two-day class is considered one event with two use days.) He said the total number of events had gone from 142 to 168, the number of total use days, from 527 to 533, and the attendance went from 704,564 to 612,009. Mr. Gessner said that this attendance number reflects the loss of

115,000 in attendance because Cirque du Soleil (75,000) and Festival of the West (40,000) did not return for the 04/05 season.

Committee Chair Ecton asked if Cirque du Soleil would be returning this year. Mr. Gessner answered that we could not give them the January/February dates they wanted and suggested they talk to the Princess Resort in Scottsdale. Mr. Gessner said the January/February dates are extremely popular and this is another example of the ongoing interest for this time of year.

#### **4. Marquee Sign Valuation – Anna Henthorn**

Ms. Henthorn provided a Memorandum to the Committee (see Attachment 2 of 2) from Sponsorship Research International regarding the valuation of the marquee sign planned to be built at WestWorld entrance.

This Memorandum states that based on their research, this sign should bring \$72,000 in sponsorship revenue each year to the City. The City would have to go out for bids for the sponsorship rites in the future.

Committee Member Drake wanted to insure that the sign would go before the Design and Review Board. Mr. Gessner said that yes it would. Committee Member Drake asked that the sign be better integrated into the WestWorld surroundings and have better graphics.

Committee Chair Ecton asked why an architect and not an artist was designing the sign? Roger Klingler stated it was a budget decision and was being viewed as a construction project rather than art.

Committee Member Drake asked if the site of the sign could change; possibly moving it away from the horse statue so it doesn't detract from that sculpture. Mr. Gessner said that the sign could possibly be situated further to the south along the frontage road, as this land is also owned by the BOR and is part of the Agreement with the City.

#### **5. General Manager's Report – Brad Gessner**

Land adjacent to WestWorld - Mr. Gessner stated that he is concerned about a proposed change to the General Plan Amendment with regard to land directly to the east of the Trailhead and WestWorld. At this time, this land is zoned R1 – 35, (one house per acre.) The proposed change would be to light industrial commercial or intensification of residential to include the possibility of high-density housing or apartments.

Mr. Gessner is opposed to any intensification of residential and is worried about the complaints from people living right next to WestWorld. He would like to see the land be left zoned as is, or possibly zoned light commercial as is the land north of WestWorld on the west end.

Mr. Gessner pointed out that the General Plan Amendment submitted also included a seven-acre parcel of State Land that wasn't owned by the applicants. He reminded the Committee that this piece of State Land would likely be bundled with other State Land around WestWorld and sold at auction sometime this fall.

Committee Chair Ecton said that there are good points on both sides of this issue. He is concerned that people would be living fifty (50) feet from the Trailhead. He feels that ongoing negotiations with the potential developers of the land should continue.

Feed & Bedding Contract - Mr. Gessner reported that the bid for the Feed & Bedding Contract was awarded to Performance Feed, who has held the contract for the past seven years. This contract still needs to go before Council for their approval.

Committee Member Drake asked if Mr. Gessner had heard of issues with the performance of the prior concessionaire and Brad said that he felt the performance issues he was aware of were addressed in the new contract.

Discussion ended.

Meeting was adjourned at 9:05 a.m.

Respectfully submitted,

Gloria Storms Ruiz  
Subcommittee Secretary